Attachment C

Outreach and Presentations to CAC

In accomplishing its Work Plan (Attachment B) the CAC made a number of public outreach efforts:

January 1999: Letter sent to all organizations that were involved in the CAC process, seeking their concerns and recommendations regarding the water transfer. Two responses were received: from the City of El Centro and the El Centro Chamber of Commerce.

March 16, 1999: IID legal counsel expresses concern that CAC's outreach work may be confused with the legal scoping process. They recommend separate letterheads to lessen potential for this confusion. That recommendation is accepted.

March 23, 1999: When representatives from Palo Verde decline to appear before CAC to discuss MWD fallowing experiment there, CAC members undertake their own investigation in a visit to Palo Verde. Those findings are reported back to the committee.

Sept. 24, 1999: CAC sends letter to all organizations involved in CAC process inviting representatives to attend its Oct. 5, 1999 meeting to learn about the scoping process. The objective is to build interest in the official scoping hearings set for Oct. 12, 13, &14 1999.

Oct. 19, 2000: CAC holds its own "scoping meeting" to develop its input to the final CH2M Hill Report. Public invited to participate.

Nov. 9, 1999: Subcommittees established to solicit input from Agriculture, Community Based Organizations, Ag related businesses, Cities/County, Chambers and other businesses.

Dec. 7, 1999: Business subcommittee holds discussion session and elicits information from several Valley business entities regarding transfer.

Jan. 28, 2000: Community Based Organizations Subcommittee meets with non-profits to discuss mitigation issues.

Feb. 9, 2000: Survey mailed to Ag related businesses seeking information on how the transfer will impact them.

April 11, 2000: CAC hosts CH2M Hill economist in presentation on economic aspects of EIR/EIS. Ads placed for public participation.

July 25, 2000: CAC hosts U.S. Filter in presentation of its proposals regarding transfer. Ads taken out to get public participation

March 27, 2002: CAC hosts major water forum in cooperation with a number of community-based organizations for the purpose of educating the public on the impending transfer and its ramifications. Intent was to foster interest in April 3, 2002 public hearing on the EIR in El Centro.

A Partial List of Presentations to CAC:

Oct. 6, 1998: Presentation on Colorado River Issues by John Carter and David Osias.
Oct. 13, 1998: Presentation on Colorado River issues as seen by Colorado and Arizona. Presenters: Jim Lockhead, special consultant to Colorado Governor and Rita Pearson, Director of Arizona Water Resources.
Oct. 20, 1998: Presentation by IID Water Conservation Advisory Board
Oct. 27, 1998: Presentation by IID legal counsel on transfer agreement
Nov. 3, 1998: Presentation on Valley Ag Economics by Farm Bureau reps
Nov. 10, 1998: Presentation by Tom Topuzes on Valley economy
Nov. 17, 1998: Presentation by IID legal counsel on costs of transfer
Dec. 1, 1998: Presentation by EDD on employment issues in Valley
Dec. 8, 1998: Presentation on water conservation alternatives by IID staff
Dec. 15, 1998: Presentation by CH2M Hill on EIR/EIS process
Jan. 19, 1999: Presentation by Jim Merchant on Dornbush Study
May 18, 1999: Presentation by Bill Jacoby, San Diego County Water Authority on San Diego's water needs.
June 15, 1999: Presentation by IID staff on on-farm guidelines
Nov. 30, 1999: Presentation by Tom Kirk, Executive Director of Salton Sea Authority, on Salton Sea Restoration issues
July 25, 2000: Presentation by Ed McGrew on US Filter proposals re transfer
Sept. 12, 2000: Presentation by Andy Horne & Tom Veysey on Salton Sea issues
Oct. 30, 2001: Presentation by Robert Johnson of the Bureau of Reclamation and Tom Kirk of the Salton Sea Authority regarding economic implications of the transfer and impacts/choices facing the Salton Sea
March 27, 2002: Water Issues Forum featuring key representatives from the Bureau of Reclamation, Planning and Conservation League, Defenders of Wildlife, San Diego County Water Authority, IID, Valley businesses and agriculture.

CAC'S KEY ISSUES ON EIR/EIS

Economic Development/Employment Issues

L14-25

1) Loss of Jobs
Jobs could be lost if land is taken out of production or if farmers go to less labor-intensive crops. This could impact farm workers as well as suppliers and the general community.

L14-26

2) Valley's reputation will be hurt
The Valley's reputation could be hurt if people elsewhere in the nation perceive the Valley "sold out" its water rights. This occurred in the Owens Valley.

L14-27

3) Loss of water will hurt future development of NAFTA-related industry in the border area.
Major firms that are looking at moving into Mexicali and into this region of the U.S. are attracted by an abundant water supply as well as other factors.

L14-28

4) Price of Water
If there is a reduction in water availability, the price will be higher.

L14-29

5) There will be changes in the nature of jobs available in the Valley.

Response to Comment L14-25

The Socioeconomics section in the Draft EIR/EIS (Section 3.14) reports the total jobs that are anticipated to be lost within the Imperial County economy as a result of fallowing. The job-loss estimates include job losses in farm support industries and the Imperial County economy in general.

Response to Comment L14-26

Without a specific reference to a part of the Draft EIR/EIS, this comment is too general to respond to. Comment noted.

Response to Comment L14-27

The second implementation scenario for the Proposed Project (QSA Implementation) includes the more restrictive limit on IID's future diversions of Colorado River water on IID's Priority 3 diversions. Under the maximum transfers provided for under the QSA, IID would retain the ability to divert in excess of 2.6 MAFY of Colorado River water for agricultural, industrial, and domestic use within the IID water service area. In addition, at the end of the initial 45-year term, the IID/SDCWA Transfer Agreement potentially allows IID to reclaim up to 34 KAFY of transfer water for M&I use within the Imperial Valley. This amount is twice the expected growth in M&I use within the IID water service area over the next 45 years. Therefore, the Proposed Project and Alternatives described in the Draft EIR/EIS can be implemented without compromising the Imperial Valley's urban water supply. IID will continue to make water deliveries reasonably required for municipal and industrial beneficial uses, including current use and expected growth in these sectors.

Response to Comment L14-28

Please refer to the response given for Comment L14-27.

Response to Comment L14-29

Labor force training or retraining utilizing the resources of Imperial Valley College and San Diego State University could be included as part of Project implementation. As described in the Draft EIR/EIS,

depending on the eventual implementation of the water conservation program, there could either be beneficial or adverse impacts to the regional economy. If water is conserved using on-farm and water delivery system improvements, it is anticipated that there would be beneficial effects to regional employment; therefore, there would not be any adverse effects to mitigate. If fallowing is used to conserve all or a portion of the water to be transferred, there would be adverse effects to the regional economy and farm workers as identified in the Draft EIR/EIS.

The IID Board will consider whether to implement socioeconomic mitigation measures when it considers whether to approve the Proposed Project or an alternative to the Proposed Project.

L14-29

As we move from labor-intensive work to a more mechanized and white-collar economy, training issues at IVC and SDSU need to be addressed to ensure we have a qualified work force.

L14-30

6) **There will be positive impacts to the economy with the money coming into the Valley as a result of the transfer.**
How will it be distributed? Who will say where it will go? It is important that this money stays in the Valley economy.

Business Issues

L14-31

1) **Reserve water for business expansion and attraction.**
Current figures state only 2% of the IID water is used by cities. Need to take into consideration the loss of water and price of water to the cities and the impact on expansion of incorporated and un-incorporated communities.

L14-32

2) **How will the water transfer effect the possibilities of future expansion of the IID service area to unincorporated communities such as Ocotillo and those along the shores of Salton Sea.**
Salton Sea communities currently receive water from CVWD, but not

Response to Comment L14-30
The distribution of the transfer revenues is a decision that will be made by the IID Board when the conservation program is developed. A set of modeling assumptions as outlined in Appendix G of the Draft EIR/EIS were used to estimate the potential range of socioeconomic impacts.

Response to Comment L14-31
Please refer to the response given for Comment L14-27.

Response to Comment L14-32
Please refer to the response given for Comment L14-27.

L14-32

ATTACHMENT D

enough. They would like to be included in our service area.

L14-33

3) What are the Water Conservation Effects on:

1) Land Values
2) Cropping patterns/crop quality
3) I.V.'s market position in state/world ag markets
4) Price of water
5) Use of farm inputs/labor

If there is not enough money for true conservation, people will choose lower value crops even though they are not asking for those crops.

L14-34

4) Cropping patterns is a big issue that needs to be discussed.

Crop quality (if they put less water on alfalfa, for example) will affect our yields as a county. Making cropping decisions is part of state and global ag market. If the price of water goes up, it would affect farming.

Response to Comment L14-33

For effects of the Proposed Project on land values, refer to the Master Response on *Socioeconomics—Property Values and Fiscal Impact Estimates* in this Final EIR/EIS.

Regarding the effects of the Proposed Project on cropping patters/crop quality, the agricultural resources analysis (Section 3.5) and the socioeconomic analysis (Section 3.14) in the Draft EIR/EIS assume that, while on-farm irrigation efficiency will be improved and tailwater reduced, farm managers will continue to fully irrigate all crops that are planted and that sufficient water will be applied to meet leaching requirements. Therefore, there will not be any impact on the quality or per-acre yield of crops that are grown. Also, see response to Comment L14-27.

Regarding the effects of the Proposed Project on the Imperial Valley's position in state/world agricultural markets, no impacts to the quality or yield of crops grown are expected. Therefore, the Proposed Project is not anticipated to affect the position of Imperial Valley farmers relative to state and world markets.

Regarding the effects of the Proposed Project on the price of water, no changes in water prices are anticipated as a result of the Proposed Project.

Regarding the effects of the Proposed Project on use of farm inputs/labor, the socioeconomic analysis in the Draft EIR/EIS assesses the adverse impacts that could occur with implementation of fallowing as a conservation measure. Also, IID will assess the merits of landowners' proposed method of conservation prior to enrollment in the water conservation program. Also, refer to the Master Response on *Socioeconomics—Crop Type Assumptions for Socioeconomic Analysis of Fallowing* in Section 9 of this Final EIR/EIS.

Response to Comment L14-34

See response to Comment L14-33.

Community-based Organization Issues

L14-35

1) **Should money be returned to the community through additional financial support for non-profit organizations?**
What will the community get out of this water transfer?

2) **Should money be returned to the community through power rate reductions to consumers?**

3) **What will the impact be to community charitable groups, for example – emergency assistance – EFSP/United Way, etc.**
Food and shelter programs in which Imperial County residents can qualify may be impacted. Amount of services and shelters needed, in the event of people not working, may increase. There would be financial impacts on those agencies.

Response to Comment L14-35

For the environmental documentation, it was assumed that no portion of the transfer revenue stream would be passed on directly to non-landowner community members or community organizations. If the IID Board were to include such payments as part of Project implementation, this would not result in adverse impacts greater than those identified in the Draft EIR/EIS.

Government Issues

1) **How do impacts on the farm economy affect tax receipts:**

   a) Property taxes/funding for schools
   b) Public services: parks, public safety
   c) Etcetera

   If there were negative impacts to the farm community, it would trickle down to schools, local services, and quality of life issues.

L14-36

2) **What are the Certification and compliance requirements?**

3) **Will water transfer increase welfare cost to government?**
   If there should be a rise in unemployment, would the cost of welfare increase?

4) **Salton Sea**
   Once a water conservation program is started, it will have drastic modification to the Salton Sea. The Salton Sea is a major economic base to Coachella Valley and Imperial County. It brings in a lot of revenue.

Response to Comment L14-36

Refer to the Master Response on *Socioeconomics—Property Values and Fiscal Impact Estimates* in Section 9 in this Final EIR/EIS. The governmental permits and approvals that are required for the Project are described in Section 1.7 of the Draft EIR/EIS.

5) **How will the State Fish & Game and Federal Fish & Wildlife Service react to agreement?**
Salton Sea is a major game preserve. There is a big concern if the level of the Salton Sea changes, it will affect fish/bird life. Also, looking at drainage as a problem – lowering the quality in the Salton Sea.

6) **What will the affect of limited water supplies be to Mexico**
Their own source of water is the Colorado River. Somewhere in the future they could back and say they need more of our water due to impact to their groundwater supplies.

7) **Identify government agencies that collect and record socio-economic data for Imperial County.**
The EIR/EIS process is going to involve socio-economic models, requiring collection of data and input into models. Need to ensure that the data is reliable data and the assumptions are correct.

Government Issues – cont….

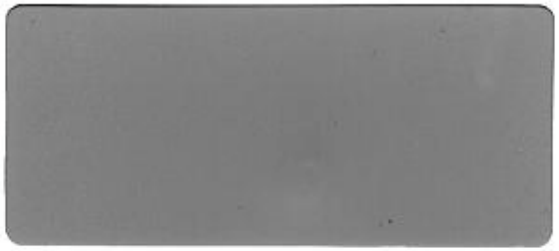
L14-37

8) **Flow of water to the Colorado Delta will be reduced if not eliminated, hurting spawning species of fish and nesting areas for endangered birds.**
Relates to #4 & #6. A variety of fish spawn in the area. If we are taking water from the river and send it to San Diego, there will be that much less water for spawning of species.

Response to Comment L14-37

The Proposed Project will not reduce (or eliminate) the flow of water to the Colorado River delta. The Proposed Project conserves water within the IID Service Area and allows the transfer of the conserved water to SDCWA. Water transferred to SDCWA would be diverted at Parker Dam rather than Imperial Dam. The amount of flow in the Colorado River below Imperial Dam and hence flowing to the Colorado River delta would not change as a result of the Proposed Project.

ATTACHMENT E



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INDEPENDENT ANALYSIS OF THE ECONOMIC IMPACT STUDIES IN THE IID WATER CONSERVATION AND TRANSFER PROJECT EIR/EIS

Prepared For:

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March 15, 2002
(Revised April 9, 2002)

L14-38

EXECUTIVE SUMMARY

After replicating much of the CH2M Hill analysis of Socioeconomic Impacts, CIC could find no substantive disagreement with the results as presented the IID Water Conservation and Transfer Project Draft EIR/EIS. We did find some differences in the data, and some differences in the arithmetic. We also think those results could have been presented more succinctly, and we present Table 1 as a summary of the essential features of the economic analysis. However, as far as the analysis goes, we would not venture any substantial disagreement. We think it is fair, however, to point out some possible results that were not fully developed and analyzed.

1. Some of the programs presented in the CH2M Hill analysis are not economically viable.
2. There is no economically viable program that does not include at least some of the higher prices contained in the IID/SDCWA agreement.
3. 100 KAFY transferred to CVWD/MWD under the QSA is not economically viable if the 100 KAFY is obtained through on-farm conservation. However, there is no requirement in the QSA against fallowing.
4. Conservation through delivery system improvements is much more cost effective than on-farm conservation.
5. The IID/SDCWA agreement which does prohibit fallowing (although this requirement is evidently capable of being revised or eliminated), requires a minimum transfer of 130 KAFY. Any transfer under this agreement adds significantly to the total revenue because of the much higher SDCWA prices. The minimum project under the QSA that takes advantage of the higher prices is 230 KAFY. Adding an additional 70 KAFY under the IID/SDCWA agreement makes the project more financially attractive.

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Response to Comment L14-38

The Executive Summary of the report prepared by CIC Research, dated March 15, 2002 (revised April 9,2002) states: " CIC could find no substantive disagreement with the results as presented in the IID Water Conservation and Transfer Project Draft EIR/EIS."

The Salton Sea Baseline, which projects existing conditions at the Salton Sea into future years, is based upon a reasonable methodology and assumptions. Refer to the Master Response on *Hydrology—Development of the Baseline* in Section 9 of this Final EIR/EIS.

Also, refer to the Master Response on *Socioeconomics—Crop Type Assumptions for Socioeconomic Analysis of Fallowing* in Section 9 of this Final EIR/EIS for additional details regarding the assumptions used in the fallowing impact analysis.

Regarding the economic viability of the Proposed Project, the EIR/EIS presents the type and magnitude of estimated third-party socioeconomic impacts associated with the Proposed Project and each alternative evaluated in the EIR/EIS. As described in the Draft EIR/EIS, depending on the eventual implementation of the water conservation program, there could either be beneficial or adverse impacts to the regional economy. If water is conserved using on-farm and water delivery system improvements, it is anticipated that there would be beneficial effects to regional employment; therefore, there would not be any adverse effects to mitigate. If fallowing is used to conserve all or a portion of the water to be transferred, there would be adverse effects to the regional economy and farm workers as identified in the Draft EIR/EIS.

The IID Board will consider whether to implement socioeconomic mitigation measures when it considers whether to approve the Proposed Project or an alternative to the Proposed Project.

6. Although not considered in the EIR/EIS analysis, even if the IID/SDCWA agreement is not modified, nothing in either agreement prohibits a program of fallowing to supply the QSA requirement for CVWD and/or MWD. So a feasible program would fallow to achieve 100 KAFY, while using conservation to achieve the 130 to 200 KAFY for SDCWA.

7. The analysis of the effects of fallowing was slanted in the direction of maintaining the same proportions in cropping patterns in the future as there have been in the past. This has the advantage of being similar to the expected cropping given conservation as the means of freeing up agricultural water for transfer. However, much more efficient results could be obtained by changing this assumption. From the viewpoint of economic efficiency, the analysis should consider reducing agricultural production with high water requirements relative to crop value and employment. CIC has demonstrated a more efficient alternative by fallowing only hay and pasture crops. In addition, this selective crop alternative would only require fallowing 37,500 acres instead of the 53,286 acres required to maintain crop proportionality. In addition, the associated employment impacts are reduced to about 500 jobs lost as compared to more than 1,400 jobs.

8. Water freed-up by conservation under any scenario is not as economically attractive as simply buying the required acreage and saving the water that would have been used on it. This would not pre-empt using policies and systems that would encourage conservation through better use of water and/or better agricultural practices. This should have been part of the analysis.

9. CH2M Hill identified that a significant percentage of the compensation to farmers goes to State and Federal taxes (40.3 percent). Therefore, programs for mitigating adverse economic impacts such as job development and job training for jobs lost as a result of fallowing, would reduce State and Federal tax payments by 40.3 percent of the program cost. As a result the after tax cost of a $10 million mitigation program is only $5.97 million.

Table 1

Summary of Scenarios Presented in the EIR/EIS (in constant 2001 dollars - Millions)

	Where Water Comes From (1)	Amount of Water Transferred (1)	Prices Used (2)	Average Yearly Revenue (3)	Annual Average Conservation Costs (4)	Annual Farmer Compensation After Taxes (4)	Annual Federal and State Taxes (5)	IID Program Costs (6)
Project A	All Conservation	300 KAFY	SDCWA for all 300 KAFY	$87.2	$36.8	$23.0	$15.5	$11.9
Project B	All Conservation	300 KAFY	100 KAFY @ MWD + 200 @ SDCWA	$71.3	$38.3	$12.8	$8.6	$11.5
Project C	All Fallowing	300 KAFY	SDCWA for all 300 KAFY	$87.2	$0.0	$51.2	$34.5	$1.5
Project D	All Fallowing	300 KAFY	50 KAFY @ CVWD + 50 KAFY @ MWD + 200 KAFY @ SDCWA	$68.2	$0.0	$39.0	$26.3	$3.0
Alternative 2	All Conservation	130 KAFY	All SDCWA	$40.6	$22.5	$13.7	$9.2	-$4.9
Alternative 3A	All Conservation	230 KAFY	MWD 100 KAFY+130 KAFY to SDCWA	$50.5	$35.8	$11.0	$7.4	-$3.7
Alternative 3B	All Fallowing	230 KAFY	CVWD 50 KAFY + MWD 50 KAFY + 130 KAFY to SDCWA	$47.4	$0.0	$26.9	$18.1	$2.4

(1) Draft EIR/EIS Section 3.14 pp. 10 & 16.
(2) Draft EIR/EIS Appendix G pp. G-9 to G-11.
(3) CIC Research, based on price data in Appendix G, and Transfer Ramp-up Schedueles in Appendix G p. G-4.
(4) Based on 75 year average of data contained in Appendix G Table G-5 p.G-16 and Appendix Table G-6 p. G-17.
(5) Based on Draft EIR/EIS Appendix G p. G-11 "40.3%."
(6) IID program costs are based on the statement in Appendix G, p. G-11. All revenues above IID's Program costs are paid to farmers as a per acre foot compensation. This column is derived as a residual based on the other cost data presented in Appendix G.

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